

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

July 15, 2015

The Board of Agriculture, Trade and Consumer Protection met on July 15, 2015, at the Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Board Room, Madison, WI. The meeting was preceded by public notice as required by s. 19.84, Stats.

Call to Order

Board Chair Andy Diercks called the meeting to order at 9:02 a.m.

Members Present

Andy Diercks, Paul Palmby, Dennis Badtke, Dean Strauss, Miranda Leis, Mark Schleitwiler, Nicole Hansen and Doug Wolf were present. John Koepke was absent.

Hall of Fame Room Dedication

The Department invited the board, press and other public members for the dedication of the new Hall of Fame room. The room has been designated to honor FFA Hall of Fame inductees and DATCP employees who receive special recognition for their work during the year. 2015 FFA Hall of Fame inductees, Mr. Kim Havens, Mr. Glenn Linder and Donna Curley, representing the late Jim Marcks, were all on hand for the official ribbon cutting. Also present was current FFA President Sally Albers and Vice President Beth Zimmer along with state FFA Advisor Jeff Hicken and Sara Schoenborn, FFA Foundation Executive Director.

Minutes

Motion

Miranda Leis made a motion, seconded by Dean Strauss, to approve the May 13, 2015 Board minutes. Motion approved unanimously.

ATCP 136 –Mobile Air Conditioners; Reclaiming or Recycling Refrigerant (Final Draft)

Judy Cardin, Bureau Director for the Weights and Measures section in the Division of Trade & Consumer Protection, presented the final draft for ATCP 136, relating to Mobile Air Conditioning; Reclaiming or Recycling Refrigerant.

ATCP 136 currently establishes requirements for buying, selling, reclaiming and recycling ozone depleting refrigerants. The rule also requires businesses that install, repair or service mobile air conditioners to pay an annual registration fee and obtain an annual registration certificate from the department. The rule requires businesses to register their mobile air service technicians and have those technicians successfully complete a department approved training course or satisfy other training requirements.

2013 Act 312 eliminated the department's authority to register businesses that install, repair or service mobile air conditioners and repealed the department's authority to establish training requirements for technicians performing those services in Wisconsin.

The proposed rule eliminates the business registration requirement and associated fee for operators of mobile air conditioning businesses, harmonizes training requirements with EPA to eliminate duplication, updates adopted standards, and removes outdated references to statutes that no longer exist.

DATCP held one public hearing on April 22, 2015, in Madison, with no attendees or written comments. The proposed rule was modified slightly to incorporate minor editorial changes suggested by the Legislative Council Rules Clearinghouse.

Motion

Dennis Badtke made a motion, seconded by Miranda Leis, to approve the final draft of ATCP 136. Motion approved unanimously.

Division of Trade and Consumer Protection (Report)

Frank Frassetto, Division Administrator for the Division of Trade and Consumer Protection, provided an overview of the Division.

The bureau of Weights and Measures, which was created from the merger of the Department of Safety and Professional Services (DSPS) underground tank storage program in 2013, is overseen by Judy Cardin. As a result of the merger, the bureau focused on consolidating the two programs together, cross-training the inspectors, and putting the necessary elements in place for enforcing statutes. The bureau finished cross-training their staff in December 2013 and built a new central fuel quality station in October 2014. All other regional labs were closed in July. The bureau is currently working with the information technology team to upgrade their databases and to create more online credentialing features for the public. Online capabilities are anticipated for early 2016.

The Consumer Protection bureau recently transitioned over to a new database in July. The database will allow the bureau to project trends, increase efficiency, automate processes,

promote a paperless environment, and reduce time delays. Consumers and businesses will be able to file complaints online and manage their complaints through their “MyDATCP” account. This online system will help the bureau be able to track where scams are happening geographically and allow the bureau to promote information and education to those specific areas. The reporting feature of the new database will allow the bureau to track the money collected and returned to consumers, value the product and services of the bureau, and provide accountability and measurables for time reporting purposes.

Producer Security Program (Report)

Jeremy McPherson, Director of the Bureau of Business Trade Practices, within the Division of Trade and Consumer Protection, provided a report regarding the Agricultural Producer Security Fund Program.

The agency recently published two emergency rules; the milk contractor’s emergency rule effective May 1st and the grain dealers and grain warehouse keepers emergency rule effective September 1st. Both emergency rules allow an assessment fee holiday for each industry for this current year. The department will potentially move forward with making changes through a permanent rule depending on the results of an actuarial study being conducted by Milliman, a business that provides actuarial services in Brookfield. The actuarial study is anticipated to be completed at the end of October and will contain recommendations on a sustainable fund balance as well as make recommendations on keeping the structure of the fund as it is currently with milk contractors, vegetable contractors, grain dealers and grain warehouse keepers contributing into one fund or whether these funds should be broken out separately. Milliman will present their findings and make their recommendations to the Agricultural Producer Security Council who will then determine the best route to take moving forward.

Mr. McPherson also gave an update on a recent default proceeding involving Liberty Milk Marketing Cooperative. The department completed a default proceeding with the milk production agent at the end of June resulting in 27 producers receiving checks totaling close to 1 million dollars. Mr. McPherson also provided several examples of how the department works with businesses that are struggling to help them avoid going into a default situation.

DHS Food Safety and Recreational Licenses Merger (Report)

Steve Ingham, Administrator for the Division of Food Safety, provided an update to the board regarding the proposed transfer of regulatory authority for restaurants, lodging establishments, and certain recreational establishments from the Department of Health Services (DHS) to DATCP.

The Governor’s Budget proposed moving 35.0 Program Revenue funded positions and just over 3.4 million in program revenue from DHS to DATCP and contained statutory language needed to consolidate the food safety and recreational license programs at DATCP. This budget proposal

was passed in modified form by the Legislature's Joint Committee on Finance. The report included an update on the budget provision and collaborative DHS/DATCP efforts to identify key tasks associated with the proposed program transfer.

Wisconsin Agricultural Statistics Services (WASS) Report

Greg Bussler, State Statistician, updated the Board on the following:

- June Acreage Report
 - As of June 1st, Wisconsin Farmers indicated they intend to plant or harvest:
 - 4.1 million acres of corn.
 - 1.9 million acres of soybean.
 - US Farmers as a whole indicated they intend to plant or harvest:
 - 88.9 million acres of corn.
 - 85.1 million acres of soybean.
- Crop Progress Report/Concerns:
 - Corn is rated 83% good to excellent.
 - Soybeans are rated 82% good to excellent.
 - Main cropping activity currently is the 2nd cutting of hay.
 - Top soil is rated as 12% surplus.
 - Subsoil is rated at 7% surplus.
 - Growing degree days are ahead of normal this year.
- August Crop Production Report
 - Will be released Wednesday, Aug 12th
 - First forecast of season for corn and soybean yields.
- Upcoming NASS Surveys in Fall 2015
 - County Agricultural Practices Survey (CAPS)
 - Small Grains – data collected in September/October.
 - Row Crop – data collected in October/November.
 - Used to set county level acreage and production estimates and important data for crop insurance payments.
 - Conservation Effects Assessment Project (CEAP)
 - First time NASS has collected data nationally since 2006.
 - Ask conservation practices for the 2013, 2014, and 2015 crop years.
 - Sample drawn from the NRCS-NRI frame. In Wisconsin, the sample contains 416 points.
 - Screening done in August and September. Main data collection (Phase II) starts in October.
 - Training for enumerators in a regional setting with MN and IA in Rochester, MN in August. This is the first time training for field enumerators has happened regionally.

- ARMS II
 - Soybeans and oats are the target crops for WI this year.
 - Survey will focus on field practices, fertilizers, and chemical applied to these crops.
 - Data will be collected from September to December.
- Postharvest Microbial Food Safety Survey
 - Partnered with the Economic Research Service (ERS).
 - Purpose is to measure the effects of the Food Safety Modernization Act (FSMA). The survey will look at food safety awareness, sanitation and postharvest practices by growers and packers.
 - Mail only survey with phone follow-up from September to January.

Wisconsin Agricultural and Food Center (Report)

Dan Smith, Administrator for the Division of Agricultural Development, along with several of his staff members, presented a powerpoint highlighting the Wisconsin Agriculture and Food Center (WAFC) Bureau.

The WAFC supports all facets of Wisconsin agriculture between the farm and the consumer. Their mission is to help grow healthy rural economies through agribusiness and economic development, local and regional food initiatives and other opportunities for Wisconsin. Typical clients of the WAFC include: farmers, dairy and cheese producers, meat processors, vegetable processors, direct and intermediate markets, wholesale and distribution, and institutional food purchasers.

The WAFC provides support to the Buy Local, Buy Wisconsin grants program which has provided over \$6.6 million in new local food sales and \$1.8 million in new investments with over 2,160 producers and 1,277 Wisconsin markets benefited since 2008.

The Wisconsin meat industry also works with WAFC in conjunction with their two year Master Meat Crafter program and consumer outreach through the WI Pork Association and the WI Beef Council.

Agrichemical Management Bureau (Report)

Lori Bowman, Director for Agrichemical Management Bureau within the Division of Agricultural Development, presented a powerpoint outlining the Division's new Rev-Ex group.

Rev-Ex is a group made up of two work groups and subcommittees encompassing farmers, associations, registrants and other stake holders. Rev-Ex's main goals are to analyze the Agrichemical Management Bureau and the Agricultural Chemical Cleanup Program's revenues

and expenditures, evaluate collection methods and timing, and make recommendations on areas of improvement. The Rev-Ex group ensures fees are assessed equitably, collected efficiently, and ensures fees are spent effectively.

Board Member Reports

Mark Schleitwiler- BelGioioso Cheese will be taking occupancy of its new main distribution center and packaging area. It will house new packaging equipment which will provide more variety to customers. In August, the company will begin construction of their first waste water treatment facility.

Paul Palmby- Paul thanked the Secretary and his staff for his recent orientation and was impressed with the professionalism, knowledge and breadth of the many topics the department manages. At Seneca Foods Corporation, the pea crop looks great and is almost done. Green beans will start coming in shortly followed by corn. Paul is married and has a daughter majoring in journalism at UW Madison. He also has two sons who work at Seneca Foods Corporation as well.

Dean Strauss- The first cutting of hay was good quality with the second crop of hay anticipated to be in good shape as well. Despite some heavy clay, the corn is looking good as well. Dean recently received approval from the DNR to move forward with a digester and water reclamation project that is anticipated to be operational by October. Dean has also been busy opening the Back 40 Pub and Grill, a new business venture in Plymouth. In June, Dean was able to travel to France for 8 days, at which time he proposed to his girlfriend in Paris.

Andy Diercks- Andy welcomed Paul Palmby to the board and congratulated Dean Strauss on his engagement. Late blight has been affecting the potatoes distributed through the central sands area which is making things difficult. Andy has continued working to get high capacity well legislation passed. Secretary Ben Brancel invited Andy to attend the reception for the Midwestern Association of State Departments of Agriculture (MASDA). Andy thanked department for providing the Hall of Fame room.

Nicole Hansen- Nicole welcomed Paul Palmby to the board. The cranberries have been setting and sizing while Cranberry Creek Cranberries focuses on shipping back 10 million bees that were used for pollination purposes. While the crop appears to be in good shape at this time, some growers did experience spray injury, winter injury and some drought issues. Nicole is relieved and happy to be home after a 37 day stay in the Children's Hospital of Milwaukee ICU/EMU with her youngest child who is recovering now.

Dennis Badtke- Dennis welcomed Paul Palmby to the board and congratulated Dean Strauss on his engagement. Badgerland Financial is wrapping up their annual land study with almost all areas reporting an increase in land values. Some areas even reported record prices being paid. There is a competition currently between lenders to secure customers so rates are more favorable. Dennis wished good health and a speedy recovery to Nicole Hansen's son.

Doug Wolf- Doug welcomed Paul Palmby to the board. At home, the crops look good despite being in a dry zone. Doug's meat processing facility, Driftless Meats and More, is going well and he is learning a lot about the business. His family is doing well at home.

Miranda Leis- Miranda welcomed Paul Palmby to the board. Organic Valley recently announced a partnership with Clif Bar & Company that named UW-Madison as the recipient of the nation's first endowed chair focused on plant breeding for organic crops. The organic industry is debating moving forward with an organic check-off program. There are many questions still as to how the program would be set up. At Organic Valley, supply is up which means it will be a profitable year for the cooperatives. On the feed side, inventories have been up but testing of the first hay crop has shown not as good quality. The grain and corn prices have also softened with imported corn coming from India, Turkey, Argentina, and the Ukraine.

Secretary's Report

The Secretary provided an update on the Governor's Budget that passed and was signed into law. Previously, there was a proposed provision to remove the DATCP Board's rule-making and policymaking powers. This provision was removed by the Finance Committee and will sit idle unless legislation is drafted to move it forward.

Another provision that did not move forward was the proposed transfer of the State Laboratory of Hygiene and the Veterinary Diagnostic Laboratory to DATCP effective July 1, 2016. Both laboratories ended up staying under UW oversight. The Veterinary Diagnostic Laboratory did receive a new Director. Dr. Philip Bochsler took over his position in early July.

The Producer-Led Watershed grant program, which assists farmers within a watershed to implement nonpoint source pollution abatement activities, did move forward within the budget. The department will begin creating rules that outline the process for providing up to \$250,000 in grants to eligible farmers and cooperatives that apply.

As of the signing of the budget, the Veterinary Examining Board, which was previously attached to the Department of Safety and Professional Services, transferred over to DATCP. Both agencies are currently putting a Memorandum of Understanding in place until the board and its responsibilities can be fully transferred over within the next several months.

In late June, Wisconsin hosted a meeting of the Midwest Association of State Departments of Agriculture (MASDA) in Madison. State Ag Secretaries, Commissioners and Directors, along with their staffs, toured several Wisconsin agriculture and food production facilities and heard from speakers on current issues and trends in the industries.

Wisconsin was highlighted again by the Homeland Security and Major General Dunbar from the Wisconsin National Guard for their effective and timely response to the Avian Influenza (AI) virus that hit Wisconsin in spring. The AI virus was first detected in Wisconsin at a commercial chicken flock in Jefferson County on Monday, April 13th. Nine additional flocks were detected in Barron, Juneau, Chippewa and Jefferson counties bringing the total of birds affected to nearly 1.6 million in Wisconsin. The Division of Animal Health, Dr. Paul McGraw, Dr. Darlene Konkle and the incident management team within the department worked tirelessly alongside The National Guard, USDA, WEM, DNR and other state agencies to react and contain the virus. It is anticipated that the AI virus may return in fall once cooler weather arrives.

In early July, the department hosted a second tribal foods meeting in Madison, where tribal leaders and members of state and federal agencies continued discussions on serving native and local foods in tribal schools and community centers. This meeting focused on the specific topic of “the donation of food within the tribe to those institutions that use a federal meal program.”

The Secretary recently spoke at the 2015 State FFA Convention at the Alliant Energy Center in Madison on employment in agriculture in the future. During this Sixth Session, various awards were given, including Distinguished Service, Honorary FFA Degrees, and FFA Hall of Fame inductions.

Wisconsin was recently chosen to host two national conferences. The National Farm to Cafeteria Conference will be held in Wisconsin in 2016 with roughly 2000 guests in attendance. The National Value Added Conference will also be held in Wisconsin for 2016 and will bring about 250 guests to the state.

The Secretary joined a discussion and tour of the research and innovation program at the UW-Stevens Point Aquaponics Innovation Center at Nelson & Pade in Montello. The UW program encompasses 70 students who learn and conduct research in a partnership with Nelson & Pade, which provide the facility for their research. The Secretary will work with Nelson & Pade on an upcoming tour for the board.

Future Schedule and Agenda Items

The Board is scheduled to meet September 23rd. The Board requested a report at a future board meeting on the NRCS 590 public comments.

Adjournment

By unanimous consent, the Board adjourned at approximately 1:35pm.

Andy Diercks, Board Chair

Nicole Hansen, Secretary